

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7173

BILL NUMBER: SB 316

NOTE PREPARED: Jan 27, 2015

BILL AMENDED: Jan 26, 2015

SUBJECT: Clark County Tax Increment Financing Study.

FIRST AUTHOR: Sen. Smith J

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) The bill establishes the Clark County Tax Increment Financing Study Commission (Commission).

The bill requires the Commission to:

- (1) study the structure and operation of each existing tax increment financing district in Clark County;
- (2) study the impact of tax increment financing districts on county government, municipal government, schools, libraries, and fire protection districts in Clark County;
- (3) study any other fiscal challenge that the Commission believes is affecting the greater Clark County area;
- (4) make recommendations for best practices concerning tax increment financing methods that ensure that all units of local government that are affected by the establishment of a tax increment financing district have meaningful input in the approval process;
- (5) prepare a recommended plan for the management of tax increment financing districts in Clark County;
- (6) make recommendations for the development of a comprehensive land use and thoroughfare plan for Clark County that is transparent and practical.

The bill provides that the Commission consists of the following members:

- (1) One member from each redevelopment commission or other entity that has established at least one existing tax increment financing district in Clark County, as selected by the redevelopment commission or other entity that established the tax increment financing district.
- (2) Three members selected by the Clark County fiscal body.
- (3) One member selected by the Clark County auditor.
- (4) One member selected jointly by the superintendents of the Clarksville Community School Corporation, Greater Clark County Schools, and West Clark Community Schools.
- (5) One individual selected by the One Southern Indiana Chamber of Commerce.

The bill provides that the Commission is entitled to reimbursement of expenses from each redevelopment commission or other entity that has established existing tax increment financing districts in proportion to the incremental property tax revenue in the preceding year that is attributable to existing tax increment financing districts authorized by the redevelopment commission or other entity. The bill also authorizes the Commission to contract for professional services to complete its duties.

The bill provides that the chair of the Commission may request the Legislative Council to authorize the Legislative Services Agency to provide assistance to the Commission. It also requires the Commission to submit a report of the study and recommendations of the Commission to the Legislative Council before November 1, 2015, and to present the report at a public meeting. The bill provides that the Commission expires January 1, 2017.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) Depending on the scope of the assistance and work that the Legislative Services Agency (LSA) ultimately has to provide to the Commission under the bill, it could require LSA to dedicate a significant share of at least one employee to this project throughout FY 2016 and half of FY 2017.

The bill provides for the Legislative Council, upon request of the Commission chair, to authorize the LSA to provide assistance to the Commission relative to its duties. The duties of the Commission include studying: (1) the structure and operation of TIFs in Clark County; (2) the impact of TIFs on local units in Clark County; and (3) any other fiscal challenge that the Commission believes is affecting the greater Clark County area.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The bill provides that the Clark County Tax Increment Financing Study Commission may receive reimbursement for its expenses from each redevelopment commission or other entity that has established at least one existing tax increment financing district in Clark County.

Additionally, the Commission must ultimately make recommendations for the development of a land use and thoroughfare plan for Clark County. The bill requires the Commission to prepare a final report of its study on the structure and operation of each existing TIF district in Clark County. The report must be presented at a public meeting. The bill's requirements should be within the current resources of the Clark County fiscal body, the Clark County auditor, Clarksville Community School Corporation superintendent, Greater Clark County Schools superintendent, West Clark Community Schools superintendent, and the One Southern Indiana Chamber of Commerce.

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency.

Local Agencies Affected: Clark County government; Clark County auditor; Clarksville Community School Corporation; Greater Clark County Schools; West Clark Community Schools; One Southern Indiana Chamber of Commerce.

Information Sources:

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